

# HOUSE . . . . . No. 1480

By Mr. Koczera of New Bedford, petition of Thomas P. Kennedy and others relative to establishing the Massachusetts gaming control act. Economic Development and Emerging Technologies.

## The Commonwealth of Massachusetts

### PETITION OF:

Thomas P. Kennedy  
Mark J. Carron

Demetrius J. Atsalis  
Thomas A. Golden, Jr.

In the Year Two Thousand and Five.

### AN ACT ESTABLISHING THE MASSACHUSETTS GAMING CONTROL ACT.

*Be it enacted by the Senate and House of Representatives in General Court assembled, and by the authority of the same, as follows:*

- 1 The General Laws are hereby further amended by Inserting
- 2 after chapter 128C the following chapter: Chapter 128D. The
- 3 Massachusetts Gaming Control Act.
- 4 Section 1. General Provisions.
- 5 (a) This chapter shall be known and may be cited as the
- 6 "Massachusetts Gaming Control Act"
- 7 (b) No applicant for a gaming license, or a manufacturer's or
- 8 distributor's license or other affirmative commission approval has
- 9 any right to a license or the granting of the approval sought. Any
- 10 license issued or other commission approval granted pursuant to
- 11 the provisions of this act is a revocable privilege, and no holder
- 12 acquire any vested right therein or there under.
- 13 (c) Nothing in this chapter shall preclude any city or town in
- 14 the commonwealth from prohibiting gaming.
- 15 (d) In the event of any conflict between the provisions of this
- 16 chapter and any other provision of the General Laws, the provi-
- 17 sions of this chapter shall prevail.
- 18 Section 2. Definitions.

19 The following words as used in this chapter shall, unless the  
20 context clearly requires otherwise, have the following meanings:

21 (a) “Adjusted net gaming revenues”, means the total of all net  
22 gaming revenues, less the total of all sums paid out as winnings to  
23 patrons as required under regulations promulgated by the commis-  
24 sion, and less all sums set aside under section ten of the Massa-  
25 chusetts Gaming Control Act, chapter one hundred and  
26 twenty-eight D. In the case of slot machines, adjusted net gaming  
27 revenues shall not exceed fifteen percent of gross gaming rev-  
28 enues.

29 (b) “Affiliate”, means any person which a licensee or applicant  
30 directly or indirectly controls or in which an applicant or licensee  
31 possesses an interest. For the purposes of this section “controls”  
32 means either (i) directly or indirectly holding more than ten per-  
33 cent of voting membership rights or voting stock or partnership  
34 interests, or (ii) that a majority of the directors, general partners,  
35 trustees, or members of an entity’s governing body or representa-  
36 tives of, or are directly or indirectly controlled by, the licensee or  
37 applicant. For the purposes of this subsection, “possesses an  
38 interest in” means either (i) directly or indirectly holding more  
39 than five percent of voting membership rights or voting stock, or  
40 (ii) that at least twenty-five percent of the directors, general part-  
41 ners, trustees, or members of an entity’s governing body or repre-  
42 sentatives of, or are directly or indirectly controlled by, the  
43 licensee or applicant;

44 (c) “Applicant”, means any person who on his own behalf or on  
45 behalf of another has applied for permission to engage in any act  
46 or activity which is regulated by the provisions of this act or regu-  
47 lations promulgated there under.

48 (d) “Application”, means a written request for permission to  
49 engage in any act or activity which is regulated under the provi-  
50 sions of this act.

51 (e) “Bidder”, means an individual, corporation, partnership,  
52 organization or association of two or more persons, or other legal  
53 entity, that proposes to apply for a state gaming license and has  
54 been found suitable by the Commission.

55 (f) “Bureau”, means the state gaming control bureau as estab-  
56 lished by this act”

57 (g) “Chairman”, means the chairman of the state gaming com-  
58 mission.

59 (h) “Commission”, means the Massachusetts state gaming com-  
60 mission;

61 (i) “Commissioner”, means a member of the state gaming com-  
62 mission.

63 (j) “Committee”, means the state gaming policy committee.

64 (k) “Competitive bidding process”, means a process whereby  
65 the commission seeks potential bidders who desire to obtain a  
66 state gaming license, the winner which shall be chosen by compet-  
67 itive standards which are determined and established by the com-  
68 mission.

69 (l) “Controlled game” or “controlled gaming”, any game of  
70 chance played for currency, check, credit, or any other thing of  
71 value that is not prohibited and made unlawful by chapter two  
72 hundred and seventy-one of the General Laws, or any other  
73 general or special laws, or by local ordinance except:

74 (1) The game of bingo conducted pursuant to section seven A  
75 of chapter two hundred and seventy-one and 961 C.M.R. 3.00.

76 (2) Parimutuel wagering on horse and dog races, whether live  
77 or simulcast, regulated by the state racing commission.

78 (3) Any lottery game conducted by the state lottery commis-  
79 sion, in accordance with section twenty-four of chapter 10 of the  
80 General Laws.

81 (4) Games played with cards in private homes or residences in  
82 which no person makes money for operating the game, except as a  
83 player.

84 (m) “Electronic Gaming Device”, means any mechanical, elec-  
85 trical or other device, contrivance or machine, including any so-  
86 called video wagering terminal, video lottery terminal or video  
87 poker machine, which, upon insertion of a coin, token or similar  
88 object, or upon payment of any consideration, is available to play  
89 or operate, the play or operation of which, whether by reason of  
90 the skill of the operator in playing a gambling game which is pre-  
91 sented for play by the machine or application of the chance, or  
92 both, may deliver or entitle the person playing or operating the  
93 machine to receive cash, premiums, merchandise, tokens or any  
94 thing of value, whether the payoff is made automatically from the  
95 machine or in any other manner.

96 (n) “Establishment”, means any building, room, place or other  
97 indoor or outdoor premises where any controlled gaming occurs,

98 including all public and non-public areas of any such establish-  
99 ment;

100 (o) “Executive Director”, the executive director of the state  
101 gaming control bureau;

102 (p) “Game” and “gambling game”, means any game approved  
103 by the commission and played with cards, dice, equipment or any  
104 mechanical, electromechanical or electronic device or machine,  
105 including slot machine as defined by this act, for money, property,  
106 checks, credit or any representative of value, but does not include  
107 games played with cards in private homes or residences in which  
108 no person makes money for operating the game, except as a  
109 player, or games defined within chapter ten or chapter two-hun-  
110 dred seventy-one of the General Laws.

111 (q) “Gaming”, “gambling”, and “gaming operations”, means to  
112 deal, operate, carry on, conduct, maintain or expose for play any  
113 game as defined in this section.

114 (r) “Gaming device”, means any equipment or mechanical,  
115 electromechanical or electronic contrivance, component or  
116 machine used remotely or directly in connection with gaming or  
117 any game which affects the result of a wager by determining “Win  
118 or loss”.

119 (s) “Gaming employee”, means any person employed in a prop-  
120 erly licensed gaming facility including, without limitation,  
121 boxmen; dealers or croupiers; floormen; machine mechanics;  
122 security employees; count room personnel; cage personnel; slot  
123 machine and slot booth personnel; collection personnel; surveil-  
124 lance personnel; and data processing personnel; or any other  
125 person whose employment duties predominantly involves the  
126 maintenance or operation of gaming activity or equipment and  
127 assets associated therewith or who, in the judgment of the com-  
128 mission, is so regularly required to work in a restricted area that  
129 licensure as a gaming employee is appropriate.

130 (t) “Gaming establishment”, means any establishment licensed  
131 to conduct gaming operations in the commonwealth under this  
132 chapter.

133 (u) “Gaming license” or “license”, means any license or work  
134 permit issued by the commission under this chapter that autho-  
135 rizes the person named therein to engage or participate in con-  
136 trolled gaming, including, work permits and licenses issued to

137 gaming establishments, to gaming suppliers, to parties in interest,  
138 to gaming schools, and to officers and directors of licensed per-  
139 sons or entities;

140 (v) “Gaming establishment”, any establishment licensed to con-  
141 duct gaming operations in the commonwealth under this chapter;

142 (w) “Gaming service industry”, means any form of enterprise  
143 which provides more than one hundred thousand dollars per  
144 annum in goods or services regarding the realty, construction,  
145 maintenance, or business of a proposed or existing gaming facility  
146 on a regular or continuing basis which directly relate to gaming  
147 activities or indirectly relate to gaming operations including,  
148 without limitation, junket enterprises, security businesses, manu-  
149 facturers, suppliers, distributors and servicers of gaming devices  
150 or equipment; waste disposal companies; maintenance companies;  
151 schools teaching gaming and either playing or dealing techniques;  
152 suppliers of alcoholic beverages, food and nonalcoholic bever-  
153 ages; vending machine providers; linen suppliers; shopkeepers  
154 located within the approved hotels; limousine services; and con-  
155 struction companies contracting with gaming applicants or  
156 licensees or their employees or agents, or any other enterprise  
157 which purchases more than fifty thousand dollars per annum in  
158 goods or services from or which does more than fifty thousand  
159 dollars worth of business per annum with licensed gaming facili-  
160 ties, provided that professional services such as accountants, audi-  
161 tors, attorneys, and broker dealers, or other professions which are  
162 regulated by a public agency, are exempt from the provisions of  
163 this subsection.

164 (x) “Holding company”, means any corporation, firm, partner-  
165 ship, trust, or other form of business organization not a natural  
166 person that, directly or indirectly, owns, has the power or right to  
167 control, or holds with power to vote, all or any part of the limited  
168 partnership interests or outstanding voting securities of a corpora-  
169 tion or any other business entity that holds or applies for a state  
170 gambling license. In addition, a holding company indirectly has,  
171 holds, or owns any power, right, or security mentioned herein if it  
172 does so through any interest in a subsidiary or successive sub-  
173 sidiaries, however many of these subsidiaries may intervene  
174 between the holding company and the corporate licensee or appli-  
175 cant.

176 (y) “Intermediary company”, means any corporation, firm part-  
177 nership trust or other form of business organization other than a  
178 natural person that is both of the following: (1) a holding com-  
179 pany with respect to a corporation or limited partnership that  
180 holds or applies for a gaming license and (2) a subsidiary with  
181 respect to a holding company.

182 (z) “Land-based licensed gaming facility” means any licensed  
183 gaming facility that is principally located on land.

184 (aa) “License” means a “gaming license” or a manufacturer’s or  
185 distributor’s license.

186 (bb) “License fees” means any money required by law to be  
187 paid to obtain or renew a gaming license manufacturer’s or dis-  
188 tributor’s license.

189 (cc) “Licensed gaming facility” means any facility wherein all  
190 gaming is sanctioned and regulated by the Commission and fully  
191 taxed by the commonwealth.

192 (dd) “Licensee” means any person to whom a valid gaming  
193 license manufacturer’s or distributor’s license has been issued.

194 (ee) “Manufacturer” means a person who: (1) manufactures,  
195 assembles, programs or makes modifications to a gaming device  
196 or cashless wagering system; or (2) designs, controls the design or  
197 assembly or maintains a copyright over the design of a mecha-  
198 nism, electronic circuit or computer program which cannot be rea-  
199 sonably demonstrated to have any application other than in a  
200 gaming device or in a cashless wagering system, for use or play in  
201 this state or for distribution outside of this state

202 (ff) “Manufacturer’s, seller’s or distributor’s license”, means a  
203 license issued pursuant to this act.

204 (gg) “Net gaming revenue”, means the total, prior to the deduc-  
205 tion of any operating, capital or other expenses whatsoever, of all  
206 gaming revenue retained by any gaming establishment licensed  
207 under this chapter derived from the conduct of any controlled  
208 game;

209 (hh) “Off-track betting facility”, means the facility at which  
210 off-track wagers are accepted by the licensee of an off-track bet-  
211 ting system pursuant to the provisions of this act.

212 (ii) “Off-track betting system”, means any person that is in the  
213 business of accepting wagers on either horse races or dog races at  
214 locations other than the place where such races are run, which  
215 business is conducted pursuant to the provisions of this act.

216 (jj) “Party in interest”, means any corporation, firm, partner-  
217 ship, trust, or other entity or person with any direct or indirect  
218 pecuniary interest in a licensed gaming establishment, or a person  
219 who owns any interest in the premises of a licensed gaming estab-  
220 lishment, or land upon which such premises is licensed, whether  
221 he leases the property directly or through an affiliate.

222 (kk) “Person” or “party” means a natural person, corporation,  
223 partnership, limited partnership, trustee, holding company, joint  
224 venture, association, or any business entity.

225 (ll) “Request for proposals” means a written document issued  
226 by the commission to potential bidders which invites bidders to  
227 submit proposals outlining their qualifications and desire to obtain  
228 a gaming license from the commission.

229 (mm) “Skimming”, means the intentional excluding of or the  
230 taking of any monies, chips, or any other items in an attempt to  
231 exclude any monies, chips, or any other items or their value from  
232 the deposit, counting, collection, or computation of gross revenues  
233 from gaming operations or activities, net gaming proceeds, or  
234 amounts due the commonwealth pursuant to this act.

235 (nn) “Slot machine”, means any mechanical, electrical or other  
236 device, contrivance or machine, including any so-called video  
237 wagering terminal, video lottery terminal or video poker machine,  
238 which, upon insertion of a coin, token or similar object, or upon  
239 payment of any consideration, is available to play or operate, the  
240 play or operation of which, whether by reason of the skill of the  
241 operator in playing a gambling game which is presented for play  
242 by the machine or application of the element of chance, or both,  
243 may deliver or entitle the person playing or operating the machine  
244 to receive cash, premiums, merchandise, tokens or any thing of  
245 value, whether the payoff is made automatically from the machine  
246 or in any other manner.

247 (oo) “Southeastern Massachusetts”, means the counties of  
248 Bristol and Plymouth.

249 (pp) “Substantial party in interest”, means any person holding a  
250 greater than five percent direct or indirect pecuniary interest,  
251 whether as owner, mortgagor or otherwise, in an operating entity,  
252 premises, or any other licensee or applicant.

253 (qq) “Wampanoag Tribe of Gay Head (Aquinnah)”, means the  
254 Massachusetts- recognized Tribe that was party to the settlement

255 of Gay Head Indian land claims as referenced in chapter 277 of  
256 the acts of 1985.

257 (rr) “Water-based licensed gaming facility”, means any licensed  
258 gaming facility that is principally located on the water.

259 (ss) “Western Massachusetts”, means the counties of Ham-  
260 pden, Hampshire, Franklin and Berkshire.

261 (tt) “Work permit”, means any card, certificate, or permit issued  
262 by the commission authorizing the holder to be employed in a  
263 licensed gaming facility.

264 Section 3. Gaming Control Commission: Composition, powers  
265 & duties.

266 (a) There shall be established a Massachusetts gaming control  
267 commission consisting of five members. Each member shall be a  
268 citizen of the United States and a resident of the commonwealth.  
269 No person holding any elective office in state, county, or local  
270 government; nor any officer or official of any political party, nor  
271 any person who was formerly a licensee or an unlicensed  
272 employee of a gaming licensee within the five years prior to any  
273 appointment shall be eligible for appointment to the commission.  
274 The commission shall be composed of the most qualified persons  
275 available; but no person actively engaged or having a direct pecu-  
276 niary interest in gaming activities shall be a member of the com-  
277 mission. Not more than three members of the commission shall be  
278 of the same major political affiliation. The governor shall appoint  
279 three members of the commission and designate one member to  
280 serve as chairman of the commission. The attorney general of the  
281 commonwealth shall appoint one member of the commission. The  
282 auditor of the commonwealth shall appoint one member of the  
283 commission.

284 (b) The term of office of each member of the commission shall  
285 be five years except that, of the members initially appointed, one  
286 shall be appointed by the governor for a term of two years, one  
287 shall be appointed by the attorney general for a term of three  
288 years, one shall be appointed by the governor for a term of four  
289 years, one shall be appointed by the auditor for a term of five years,  
290 and one shall be appointed by the governor for a term of five  
291 years. After the initial term the term of office for each member of  
292 the commission is five years, provided that no member serve more  
293 than two consecutive terms of five years. Any vacancies shall be



294 filled by the original appointing authority Within Sixty days of the  
295 occurrence of such vacancy. Any appointee shall continue in  
296 office beyond the expiration date of his term until the appointment  
297 of a successor but in no event longer than six months. Any com-  
298 missioner may be removed by the governor for just cause, and  
299 shall be removed immediately upon conviction of any felony. Any  
300 person so suspended and later acquitted of any such felony shall  
301 be reinstated to the commission upon such acquittal, with full  
302 back pay.

303 (c) The commission members shall devote that time to the busi-  
304 ness of the commission as may be necessary to the discharge of  
305 their duties.

306 The members of the commission shall be compensated for work  
307 performed for the commission at fifty thousand dollars per annum,  
308 with the chairman receiving ten thousand dollars per annum in  
309 addition to his compensation. Commission members shall be  
310 reimbursed for traveling and other expenses necessarily incurred  
311 in the performance of official duties. Before entering upon the  
312 duties of his or her office each member shall swear that he or she  
313 is not pecuniary interested in any business or organization holding  
314 a gaming license under this act, or doing business with any  
315 gaming service industry, as defined by this act and shall submit to  
316 the governor, attorney general and state auditor, a statement of  
317 financial interest required by chapter two-hundred sixty-eight B of  
318 the General Laws listing all assets and liabilities, property and  
319 business interests, and sources of income of said commissioner  
320 and his spouse. Such statement shall be under oath and shall be  
321 filed at the time of employment and annually thereafter. No com-  
322 mission member shall have any interest, direct or indirect, in any  
323 applicant or in any person licensed by or registered with the com-  
324 mission during his term of office. Regular and special meetings of  
325 the commission may be held, at the discretion of the commission,  
326 at such times and places as it may deem convenient, but at least  
327 one regular meeting may be held each month on or after the fif-  
328 teenth day of the month.

329 (d) The commission shall make an annual report of its activities  
330 to the general court by March thirty-one, for the prior calendar  
331 year.

332 (e) The commission shall establish and maintain a general place  
333 of business. The commission may hold meetings at any place  
334 within the state when the interests of the public may be better  
335 served. Except as otherwise provided for herein, meetings of the  
336 commission shall be subject to the provisions of section eleven A  
337 and eleven A and one-half of chapter thirty of the General Laws.  
338 A majority of the membership of the commission is a quorum of  
339 the commission. A public record of every vote shall be maintained  
340 at the commission's general office. The commission may maintain  
341 any other files and records as it deems appropriate.

342 (f) The commission shall have general responsibility for the  
343 implementation of this act, as hereinafter provided, including, the  
344 right to hear and decide promptly and in reasonable order all  
345 license, registration, certificate, and permit applications and  
346 causes affecting the granting, suspension, revocation, or renewal  
347 thereof; to conduct all hearings pertaining to civil violations of  
348 this act or regulations promulgated hereunder; the method and  
349 form of application which any applicant for a gaming license or  
350 for a manufacturer's, sellers or distributor's license must follow  
351 and complete before consideration of his application by the com-  
352 mission; the information to be furnished by any applicant or  
353 licensee concerning his antecedents, habits, character, associates,  
354 criminal history or record, business activities and financial affairs,  
355 past or present; the information to be furnished by a licensee  
356 relating to his gaming employees; the fingerprinting of an appli-  
357 cant or licensee or employee of a licensee or other methods of  
358 identification; the manner and procedure of all hearings conducted  
359 by the State Gaming Control Bureau, as defined by this act, or  
360 commission or any hearing examiner of the bureau or commis-  
361 sion, including special rules of evidence applicable thereto and  
362 notices thereof; the issuance and revocation of work permits for  
363 employment of persons in licensed gambling facilities; the manner  
364 in which winnings, compensation from games and gaming  
365 devices, and gross revenue must be computed and reported by the  
366 licensee; the minimum procedures for adoption by each licensee  
367 to exercise effective control over its internal fiscal affairs; the  
368 payment by any applicant of all or any part of the fees and cost of  
369 investigation of such applicant as may be determined by the  
370 bureau or the commission; governing the manufacture, sale and

371 distribution of gambling devices and equipment; licensee bonding  
372 requirements; monitoring of licensee requirements; investigations  
373 both civil and criminal; the method and operation of gambling  
374 operations including the type and manner of gambling, record  
375 keeping, accounting, audit requirements and safeguarding of  
376 assets; the testing and inspection of gambling equipment; the  
377 licensing of corporations, limited partnerships, holding companies  
378 and intermediary companies; the limitations of security contracts  
379 and agreements; the sale of securities of affiliated companies;  
380 emergency proceedings; setting forth those persons to be excluded  
381 or ejected from gambling establishments including the type of  
382 conduct prohibited thereat; to collect all license and registration  
383 fees, taxes and penalties imposed by this act and the regulation  
384 issued pursuant thereto; to be present through its inspectors and  
385 agents at all times during the operation of any licensed gaming  
386 facility for the purpose of certifying the revenue thereof and  
387 receiving complaints from the public; and to review and rule upon  
388 any complaint by a licensed gaming facility licensee regarding  
389 any investigative procedures of the bureau which are unneces-  
390 sarily disruptive of licensed gaming facility operations; and a code  
391 of conduct for employees of the bureau. The need to inspect and  
392 or investigate a licensed gaming facility shall be presumed at all  
393 times. The commission shall adopt an official seal and alter same  
394 at pleasure.

395 (g) The commission shall conduct hearings in accordance with  
396 the provisions of chapter thirty A. The commission may, by a  
397 majority vote, issue subpoenas for the attendance of witnesses or  
398 the production of any records, books, memoranda, documents, or  
399 other papers, or things, at or prior to any hearing as is necessary to  
400 enable the commission to effectually discharge its duties, and may  
401 administer oaths or affirmations as necessary in connection there-  
402 with. The commission may petition a superior court for an order  
403 requiring compliance with a subpoena. The commission and the  
404 bureau shall have the authority to propound written interrogatories  
405 and may administer oaths, issue subpoenas, propound written  
406 interrogatories, require testimony under oath, report same, and  
407 fashion recommended decisions upon the recommendation of said  
408 commission.

409 (h) The commission may require any person to apply for a  
410 license as provided in this act and approve or disapprove, transac-  
411 tions, events, and processes as provided in this act. The commis-  
412 sion may grant or deny any application for a license or approval;  
413 may limit, condition, restrict, suspend, or revoke any license or  
414 approval for any cause deemed reasonable by the commission,  
415 consistent with this act or any general or special. The commission  
416 may also impose a civil fine of not more than fifteen thousand  
417 dollars upon any person licensed, registered or otherwise  
418 approved under this act, for any violation of this act or of any  
419 general or special law related to gambling. The commission may,  
420 as further provided in regulations approve or disapprove transac-  
421 tions, events, and processes as provided in this act, take actions  
422 reasonably designed to ensure that no unsuitable persons are asso-  
423 ciated with controlled gambling activities. The commission may  
424 expend for legal, investigative, clerical and other assistance such  
425 as may be appropriated therefore. Investigators employed by the  
426 commission shall have access to all records maintained by the all  
427 licensees and registrants hereunder, whether maintained at the  
428 licensed gambling establishment or other location as may be perti-  
429 nent to the investigatory powers of the commission.

430 (i) The commission shall assure, to the extent required by this  
431 act, that licenses, approvals, certificates, or permits shall not be  
432 issued to nor held by, nor shall there be any material involvement,  
433 directly or indirectly, with the licensed gaming facility operation  
434 or the ownership thereof by, unqualified or disqualified persons or  
435 persons whose operations are conducted in a manner not con-  
436 forming with the provisions of this act. In enforcing the provisions  
437 of this act, the commission shall have the power and authority to  
438 deny any application; limit or restrict any license, registration,  
439 certificate, permit or approval; suspend or revoke any license, reg-  
440 istration, certificate, permit or approval; and, impose a penalty on  
441 any person licensed, registered, or previously approved for any  
442 cause deemed reasonable by the commission pursuant to rules and  
443 regulations promulgated thereby.

444 (j) No commission member or person employed by the commis-  
445 sion shall represent any person or party other than the common-  
446 wealth before or against the commission for a period of two years  
447 from the termination of his office or employment with the com-  
448 mission.

449 (k) The commission shall initiate proceedings or actions appro-  
450 priate to enforce statutory and regulatory requirements mandated  
451 of license-holders.

452 (l) The commission may refuse to reveal, in any court or  
453 administrative proceeding except a proceeding brought by the  
454 commonwealth of Massachusetts or the United States government  
455 the identity of an informant, or the information obtained from the  
456 informant, or both the identity and the information.

457 (m) The commission shall have the power to acquire, lease, use,  
458 hold and mortgage real, personal or mixed property or any  
459 interest, easements or rights therein, as may be necessary or  
460 appropriate to carry out the provisions of this act; to enter into  
461 agreements or other transactions with the commonwealth or any  
462 political subdivision or public instrumentalities thereof, the  
463 United States government or any federal, state or other govern-  
464 mental agency; to formulate plans for the projects involving the  
465 acquisition and operation of facilities pursuant to the provisions of  
466 this act, and to construct or reconstruct, expand, remodel, to fix  
467 and revise from time to time, and to charge and collect rates, fees,  
468 rentals and other charges for the use of any building, structure,  
469 other property or portion thereof under its control; and to acquire  
470 in the name of the commission by purchase or otherwise,

471 (n) The commission may investigate, civilly or criminally,  
472 fraud, deceit, misrepresentation or violations of law by any person  
473 licensed or registered under this act, or the occurrence of any such  
474 activity within or involving any licensed gambling establishment  
475 or gambling operation. If the commission has reasonable basis to  
476 believe that any person licensed or registered under this act is  
477 engaged in criminal behavior or that criminal activity is occurring  
478 within or involving any licensed gaming facility or licensed gam-  
479 bling operation said commission shall report same to the attorney  
480 general of the commonwealth and the district attorney of the  
481 county within which the gaming facility is located and make  
482 available to the attorney general and said district attorney all rele-  
483 vant information on such activity. The commission, as it deems  
484 appropriate, may ask the attorney general and/ or said district  
485 attorney to restrain a violation of this act or enforce any provision  
486 thereof.

487 An action brought against a person pursuant to this act does not  
488 preclude any other criminal or civil proceeding as may be autho-  
489 rized by law.

490 (o) No person shall transfer a direct or indirect pecuniary  
491 interest in a licensed operating entity or premises, or enter into an  
492 option contract or other agreement providing for such transfer in  
493 the future, without having notified the commission. No person  
494 shall transfer a greater than five percent direct or indirect pecu-  
495 niary interest in a licensed operating entity or premises without  
496 the issuance by the commission to the transferee of an operating  
497 license or an affirmative statement that the transferee has met the  
498 operating license standards, as the commission may require.

499 Section 4. State Gaming Control Bureau: Composition, powers  
500 & duties.

501 (a) There shall be established a state gaming control bureau.  
502 The bureau may acquire such furnishings, equipment, supplies,  
503 stationery, books, motor vehicles and other things as it may deem  
504 necessary or desirable in carrying out its functions; incur such  
505 other expenses, within the limit of money available to it, as it may  
506 deem necessary. The bureau shall furnish to the commission such  
507 administrative and clerical services and such furnishings, equip-  
508 ment, supplies, stationery, books, motor vehicles and all other  
509 things as the commission may deem necessary or desirable in car-  
510 rying out its functions. Except as otherwise provided in this act,  
511 all costs of administration incurred by the bureau must be paid out  
512 on claims from the state general fund in the same manner as other  
513 claims against the state are paid.

514 (b) The position of executive director of the state gaming con-  
515 trol bureau is hereby created. The secretary of administration and  
516 finance shall appoint the executive director for a term of five  
517 years. The executive director shall not serve more than two con-  
518 secutive terms. The executive director may be removed by the  
519 governor for cause. The executive director shall be responsible for  
520 the conduct of the commission's administrative matters. The exec-  
521 utive director shall be the executive secretary of the commission  
522 and shall carry out and execute the duties as specified by law and  
523 the commission. The executive director shall employ such profes-  
524 sional, technical, and clerical assistants and employees as neces-  
525 sary, subject to appropriation; provided, however, that such

526 assistants and employees shall not be subject to chapter thirty-one  
527 or section nine A of chapter thirty of the General Laws. The execu-  
528 tive director shall devote his entire time and attention to the busi-  
529 ness of his office and shall not pursue any other business or  
530 occupation or hold any other office of profit.

531 (c) The bureau shall, within the limits of legislative appropria-  
532 tions or authorizations, employ and fix the salaries of or contract  
533 for the services of such professional, technical and operational  
534 personnel and consultants as the execution of its duties and the  
535 operation of the bureau and commission may require. The bureau  
536 and the commission shall, by suitable regulations, establish a  
537 comprehensive plan governing employment, job classifications  
538 and performance standards, and retention or discharge of  
539 employees to assure that termination or other adverse action is not  
540 taken against such employees except for cause. The bureau may  
541 employ the services of such persons as it considers necessary for  
542 the purposes of consultation or investigation.

543 (d) Each employee of the bureau shall file with the state ethics  
544 commission a statement of financial interest as defined in chapter  
545 two-hundred sixty-eight B of the General Laws listing all assets  
546 and liabilities, property and business interests, and sources of  
547 income of said employee and his spouse. Such statement shall be  
548 under oath and shall be filed at the time of employment and annu-  
549 ally thereafter.

550 (e) No employee of the bureau shall be permitted to gamble in  
551 any establishment licensed by the Commission except in the  
552 course of his duties. Each employee or agent of the bureau shall  
553 devote his entire time and attention to his duties and shall not  
554 pursue any other business or occupation or other gainful employ-  
555 ment; provided, however, that secretarial and clerical personnel  
556 may engage in such other gainful employment as shall not inter-  
557 fere with their duties to the commission or bureau, unless other-  
558 wise directed; and provided further, however, that other employee  
559 and agents of the bureau may engage in such other gainful  
560 employment as shall not interfere or be in conflict with their  
561 duties to the bureau, upon approval by the commission and the  
562 director of the bureau.

563 (f) No person employed by the bureau shall represent any  
564 person or party other than the commonwealth before or against the

565 bureau or the commission for a period of one year from the termi-  
566 nation of his office or employment with the bureau.

567 (g) Before the beginning of each legislative year, the bureau  
568 shall submit to the house and senate committees on ways and  
569 means and the joint committee on government regulations a report  
570 defining, for the preceding twelve month period, the gross rev-  
571 enue, net revenue, and average depreciation of each licensee; the  
572 number of persons employed by each licensee, and related payroll  
573 information; and the assessed valuation of each Massachusetts  
574 licensed gaming facility as listed on the assessment rolls.

575 (h) Employees of the bureau and their agents may inspect and  
576 examine all premises wherein gaming is conducted or gambling  
577 devices or equipment are manufactured, sold or distributed;  
578 inspect all equipment and supplies in, upon or about such  
579 premises; summarily seize and remove from such premises and  
580 impound any equipment, supplies, documents or records for the  
581 purpose of examination and inspection; demand access to and  
582 inspect, examine, photocopy and audit all papers, books and  
583 records of any applicant or licensee, on his premises, or elsewhere  
584 as practicable, and in the presence of the applicant or licensee, or  
585 his agent, respecting the gross income produced by any gaming  
586 business, and require verification of income, and all other matters  
587 affecting the enforcement of the policy or any of the provisions of  
588 this act; demand access to and inspect, examine, photocopy and  
589 audit all papers, books and records of any affiliate of a licensee  
590 whom the bureau or commission knows or reasonably suspects is  
591 involved in the financing, operation or management of the  
592 licensee. Licensees must retain all books, papers, and records nec-  
593 essary for audits for three years after the date of the surrender or  
594 revocation of his gaming license.

595 (i) The bureau may place expert accountants, technicians, and  
596 any other persons, as it may deem necessary, in the office, gam-  
597 bling area, or other place of business of any person licensed or  
598 registered under this act for the purpose of determining compli-  
599 ance with the rules and regulations adopted pursuant to this act.

600 (j) The bureau may investigate, for purposes of prosecutions  
601 any suspected criminal violation of this act; provided, however,  
602 that nothing in this section shall be deemed to limit the investiga-  
603 tory and prosecutorial powers of other state and local officials and  
604 agencies, including district attorneys and police departments.



605 (k) The bureau may recommend to the commission the denial  
606 of any application, the limitation, conditioning, restriction, sus-  
607 pension, or revocation of any license, permit, registration or  
608 approval, or the imposition of any fine upon any person licensed  
609 or approved by the commission.

610 (l) The executive director of the bureau and employees of the  
611 bureau so designated by the director shall have and exercise  
612 throughout the commonwealth, subject to the rules and regulations  
613 as the director, with the approval of the commission, may from  
614 time to time adopt, all the authority of police officers and consta-  
615 bles, except the service of civil process, to effectuate the purposes  
616 of this act.

617 (m) No official, member, employee, or agent of the commission  
618 or bureau, having obtained access to confidential records or infor-  
619 mation in the performance of duties pursuant to this act, unless  
620 otherwise provided by law, shall knowingly disclose or furnish the  
621 records or information, or any part thereof, to any person who is  
622 not authorized by law to receive it. Violation of this provision  
623 shall be punishable by a fine of not more than ten thousand dollars  
624 or by imprisonment in a house of correction for not more than one  
625 year, or by both such fine or imprisonment.

626 (n) The bureau shall make a continuous study and investigation  
627 of gaming throughout the commonwealth in order to ascertain  
628 defects in state gaming law, or in rules and regulations issued  
629 thereunder; to formulate recommendations for changes in said law  
630 and the rules and recommendations promulgated thereunder. The  
631 bureau shall make a continuous study and investigation of the  
632 operation and administration of similar laws in other states or  
633 countries; of any literature or reports on the subject which from  
634 time to time may be published or available to licensed gaming  
635 facilities; of any federal laws which may affect the operation of  
636 gaming in the commonwealth; and of the reaction of citizens of  
637 the commonwealth to existing and potential features of gaming  
638 with a view to recommending or effecting changes that will tend  
639 to better serve and implement the purposes of state gaming law.  
640 The bureau shall make a continuous study of state gaming policy,  
641 including gaming, as defined by this act; the state lottery, as  
642 defined by chapter ten; and pari-mutual racing, as defined by  
643 chapter one-hundred twenty-eight; and the impact of said policy  
644 on the Commonwealth.

645 (o) The executive director of the bureau shall petition the com-  
646 mission to initiate proceedings or actions appropriate to enforce  
647 statutory and regulatory requirements mandated of license-  
648 holders, and the commission shall grant or deny such petitions  
649 expeditiously.

650 (p) Employees of the bureau may refuse to reveal, in any court  
651 or administrative proceeding except a proceeding brought by the  
652 commonwealth of Massachusetts or the United States government  
653 the identity of an informant, or the information obtained from the  
654 informant, or both the identity and the information.

655 Section 5. Records of Commission and Bureau Proceedings.

656 (a) The commission shall cause to be made and kept a record of  
657 all proceedings at regular and special meetings of the commission.  
658 These records shall be open to public inspection.

659 (b) Notwithstanding any other general or special law to the con-  
660 trary all files, records, reports, and other information in possession  
661 of any state or local governmental agency including tax filings  
662 and related information that are relevant to an investigation by the  
663 bureau conducted pursuant to this act shall be made available to  
664 the bureau as requested. However, any tax or financial informa-  
665 tion received from a governmental agency shall be used solely for  
666 effectuating the purposes of this act. To the extent that these files,  
667 records, reports, or information are confidential or otherwise priv-  
668 ileged from disclosure under any law they shall not lose that con-  
669 fidential or privileged status for having been disclosed to the  
670 bureau.

671 (c) No statement, and no publication of any document,  
672 described in this section shall impose liability for defamation or  
673 constitute a ground for recovery in any civil action. If any docu-  
674 ment or communication described above contains any information  
675 that is privileged or exempt from public disclosure that privilege  
676 or exemption is not waived or lost because the document or com-  
677 munication is disclosed to the bureau or the commission or any of  
678 their agents or employees.

679 (d) The attorney general, every district attorney, and every state  
680 and local law enforcement agency shall notify the bureau of any  
681 investigation or prosecution of any person if it appears that a vio-  
682 lation of any law related to gambling had occurred.

683 Section 6. Finding of suitability. License approval.

684 (a) The commission and the bureau shall investigate the qualifi-  
685 cations of each applicant under this act before any license is  
686 issued or any registration, finding of suitability or approval of acts  
687 or transactions for which commission approval is required or per-  
688 mission is granted, and shall continue to monitor the conduct of  
689 all licensees and registrants and other persons having a material  
690 involvement, directly or indirectly with a licensed gaming facility  
691 or holding company to ensure that licenses are not issued or held  
692 by, nor is there any material involvement directly or indirectly  
693 with a licensed gaming facility or holding company by unquali-  
694 fied, disqualified or unsuitable persons, or persons whose opera-  
695 tions are conducted in an unsuitable manner or in unsuitable or  
696 prohibited places or locations, as provided in commission regula-  
697 tions. All expenses associated with the licensing of any applicant  
698 shall be borne by the applicant. Pursuant to its regulations, the  
699 commission shall require each applicant for a gambling license to  
700 deposit with the commission, together with the application there-  
701 fore, an application fee. Such fee shall constitute the anticipated  
702 costs and charges incurred in the investigation and processing of  
703 the application, and any additional sums as are required by the  
704 commission to pay final costs and charges.

705 (b) The commission and the bureau may require a finding of  
706 suitability or the licensing of any person who owns any interest in  
707 the premises of a licensed establishment; owns any interest in real  
708 property used by a licensed establishment whether he leases the  
709 property directly to the licensee or through an intermediary;  
710 repairs, rebuilds or modifies any gaming device; manufactures or  
711 distributes chips or gaming tokens for use in this state.

712 (c) The commission and the bureau may require a finding of  
713 suitability or the licensing of any person who furnishes services or  
714 property to a state gaming licensee under any arrangement pur-  
715 suant to which the person receives payments based on earnings,  
716 profits or receipts from gaming.

717 (d) No person shall operate a gaming establishment without  
718 having obtained all necessary operating licenses from the commis-  
719 sion. There shall be a single licensed operator for each gaming  
720 establishment. The licensing standards must be met at all times by  
721 each officer, director, partner, and trustee of the operating entity,

722 by each substantial party in interest of the operating entity or of  
723 the premises on which such establishment is located, and by such  
724 other party in interest of the operating entity, the premises, or any  
725 holding company or intermediary company of the operating entity  
726 or the premises as the commission may require. In no event shall  
727 the commission permit person or entity previously convicted of a  
728 felony to be a party in interest of the operating entity or of the  
729 premises or of any holding or intermediary company of the oper-  
730 ating entity or the premises. A separate license shall be required  
731 for any person described above, unless the commission specifi-  
732 cally determines otherwise.

733 The commission may grant not more than six licensed operator  
734 licenses to be issued to the following:

735 (1) Persons licensed to conduct horse racing meetings in Suf-  
736 folk County and Norfolk County as of January 1, 2005, or their  
737 respective assigns and/or successors in interest, not including  
738 horse racing meetings held in connection with a state or county  
739 fair, who run a full schedule of live races as defined in section two  
740 of chapter one hundred and twenty-eight C, shall be authorized to  
741 operate one thousand electronic gaming devices or slot machines  
742 to be operated only on the premises of a horse racing meeting  
743 licensee in Suffolk County and Norfolk County as approved by  
744 the commission; provided that no person licensed to conduct horse  
745 racing meeting in Suffolk County and Norfolk County, as of Jan-  
746 uary 1, 2005, or their respective assigns and/or successors in  
747 interest, not including horse racing meetings held in connection  
748 with a state or county fair, who run a full schedule of live races as  
749 defined in section two of chapter one hundred and twenty-eight  
750 C, shall be permitted to hold a financial interest, either directly or  
751 indirectly, to be affiliated with, or to receive financial remunera-  
752 tion in any form from any facility licensed pursuant to sections six  
753 (d)(3) or (4) of this act; and

754 (2) Persons licensed to conduct greyhound dog racing meetings  
755 in Suffolk and Bristol County, as of January 1, 2005 or their  
756 respective assigns and/or successors in interest, not including  
757 greyhound dog racing meetings held in connection with a state or  
758 county fair, who run a full schedule of live races as defined in  
759 section two of chapter one hundred twenty-eight C, shall be  
760 authorized to each operate one thousand electronic gaming

761 devices or slot machines to be operated only, respectively, on the  
762 premises of a greyhound dog racing meeting licensee in Suffolk  
763 and Bristol Counties, as approved by the commission; provided,  
764 however, that where two or more greyhound dog racing meeting  
765 licensees in Bristol County use the same track during a calendar  
766 year, said Bristol County licensees, for the purposes of seeking a  
767 licensed operator license, shall be considered one applicant; pro-  
768 vided further that no person licensed to conduct greyhound dog  
769 racing meetings in Suffolk and Bristol County, as of January 1,  
770 2005, or their respective assigns and/or successors in interest, not  
771 including greyhound dog racing meetings held in connection with  
772 a state or county fair, who run a full schedule of live races as  
773 defined in section two of chapter one hundred and twenty-eight C,  
774 shall be permitted to hold a financial interest, either directly or  
775 indirectly, to be affiliated with, or to receive financial remunera-  
776 tion in any form from any facility licensed pursuant to sections six  
777 (d)(3) or (4) of this act; and,

778 (3) The commission is authorized to approve one licensed oper-  
779 ator from all persons seeking to be a licensed operator in Western  
780 Massachusetts, such operator to hold a full gaming license for all  
781 approved controlled games and electronic gaming licenses for all  
782 approved controlled games and electronic gaming devices to be  
783 conducted in a licensed gaming facility; and

784 (4) The commission is authorized to approve one licensed oper-  
785 ator from all persons seeking to be a licensed operator in South-  
786 eastern Massachusetts, such operator to hold a full gaming license  
787 for all approved controlled games and electronic gaming devices  
788 to be conducted in a licensed gaming facility. Each license  
789 approved by the Commission pursuant to sections six (d)(3) and  
790 (4) of this act shall be awarded as the result of a competitive bid-  
791 ding process to be designed and established by said commission.  
792 Said process shall include a request for proposals which shall be  
793 designed to maximize the economic benefits and revenue gener-  
794 ating potential of the project. The license approved by the com-  
795 mission pursuant to section six (d)(4) shall be awarded to the  
796 Wampanoag Tribe of Gay Head (Aquinnah) or, if not accepted by  
797 said Tribe, awarded as the result of a competitive bidding process  
798 to be designed and established by said commission. Said process  
799 shall include a request for proposals which shall be designed to

800 maximize the economic benefits and revenue generating potential  
801 of the project. Persons bidding on licenses pursuant to sections six  
802 (d)(3) and (4) shall be required to define the number of full-time  
803 equivalent employees that the project will produce, and the pro-  
804 ject's non-gaming economic development potential.

805 (e) No application for any gaming license established under  
806 this act shall be granted without a majority vote at local refer-  
807 endum of the host community in accordance with the procedures  
808 established under the general laws.

809 (f) A person may apply to be a licensed operator by filing an  
810 application with the commission, in the form and with such  
811 accompanying application fees as the commission may establish.  
812 Information on the application will be used as the basis for a thor-  
813 ough background investigation which the bureau shall conduct  
814 with respect to each applicant. Each application shall disclose the  
815 identity of each party in interest, each holding company and inter-  
816 mediary company, and each affiliate of the operating entity. The  
817 application shall disclose, in the case of a privately held corpora-  
818 tion, the names and addresses of all directors, officers, and stock-  
819 holders; in the case of a publicly traded corporation, the names  
820 and addresses of all directors, officers, and persons holding at  
821 least one percent of the total capital stock issued and outstanding;  
822 in the case of a partnership, the names and addresses of all part-  
823 ners, both general and limited; and in the case of a trust, the  
824 names and addresses of all trustees and beneficiaries.

825 (g) Each operating entity shall identify, in its application, the  
826 premises containing the establishment where it proposes to con-  
827 duct its gaming operations. The application shall contain such  
828 information regarding the physical location and condition of the  
829 premises and the potential impact of the proposed gaming opera-  
830 tions upon adjacent properties and the municipality and region  
831 within which the premises are located, as the commission may  
832 require. The application shall disclose the identity of all parties in  
833 interest regarding the premises; and provided, further, except as  
834 otherwise permitted herein, no person other than a licensee here-  
835 under shall have any right to or interest in net gaming revenue or  
836 adjusted net gaming revenue in the form of a percentage of any  
837 sums payable hereunder.

838 (h) No licensed operator shall obtain any gaming equipment  
839 from a person who does not hold a license. No licensed operator  
840 shall enter into any agreement for the receipt of goods or services,  
841 of any form and in any amount, from a person who does not hold  
842 a license, when a license is required for such agreement under this  
843 act or under regulations promulgated by the commission or  
844 bureau.

845 (i) No licensed operator shall employ any person in a gaming  
846 establishment who does not hold a work permit, when a work  
847 permit is required for such position under regulations promulgated  
848 by the commission or bureau.

849 (j) Licensed operators shall provide all full and part time  
850 employees working a minimum of twenty hours a week with  
851 health insurance coverage.

852 (k) Any person who the commission determines is qualified to  
853 receive a license or be found suitable under the provisions of this  
854 act, may be issued a state gaming license or found suitable, as  
855 appropriate. The burden of proving his qualification to receive any  
856 license or be found suitable is on the applicant. A license to  
857 operate a gaming establishment must not be granted unless the  
858 applicant has satisfied the commission that he or she has adequate  
859 business probity, competence and experience, in gaming; and the  
860 proposed financing of the entire operation is adequate for the  
861 nature of the proposed operation; and, from a suitable source. All  
862 application to receive a license or be found suitable constitutes a  
863 request for a determination of the applicant's general character,  
864 integrity, and ability to participate or engage in, or be associated  
865 with gaming, as appropriate. The commission may limit the  
866 license or place such conditions thereon as it may deem necessary  
867 in the public interest. The commission may, if it considers neces-  
868 sary, issue a probationary license. No state gaming license may be  
869 assigned either in whole or in part. The commission may limit or  
870 place such conditions as it may deem necessary in the public  
871 interest upon any registration, finding of suitability or approval  
872 for which application has been made. A licensee may be granted a  
873 temporary gaming license to operate a gaming facility during the  
874 construction phase of any licensed gaming facility, provided that  
875 no more than one temporary license be awarded for any licensed  
876 gaming facility, and provided further that no temporary license  
877 remain in force for a period in excess of twenty-four months.

878 (l) Any state license in force may be renewed by the commis-  
879 sion for the next succeeding license period upon proper applica-  
880 tion for renewal and payment of state license fees and taxes as  
881 required by law and the regulations of the commission. If any  
882 licensee or other person fails to renew his license the commission  
883 may order the immediate closure of all his gaming activity until  
884 the license is renewed by the payment of the necessary fees, taxes,  
885 interest and any penalties.

886 (m) If satisfied that an applicant is eligible to receive a state  
887 gaming, manufacturing, selling, or distributing license, and upon  
888 tender of all license fees and taxes as required by law and regula-  
889 tion of the commission; and a bond executed by the applicant as  
890 principal, and by a corporation qualified under the laws of the  
891 commonwealth as surety, payable to the commonwealth, and con-  
892 ditioned upon the payment of license fees and taxes and the  
893 faithful performance of all requirements imposed by law or regu-  
894 lation or the conditions of the license, the commission shall issue  
895 and deliver to the applicant a license entitling him to engage in the  
896 gaming, manufacturing, selling, or distributing operation for  
897 which he is licensed, together with an enumeration of the specific  
898 terms and conditions of the license.

899 (n) A license issued pursuant to the provisions of this act must  
900 be posted by the licensee and kept posted at all times in a conspic-  
901 uous place in the area where gaming is conducted in the establish-  
902 ment for which the license is issued until it is replaced by a  
903 succeeding license.

904 (o) If the commission is not satisfied that an applicant is quali-  
905 fied to be licensed under this act, the commission may cause to be  
906 made such investigation into and conduct such hearings con-  
907 cerning the qualifications of the applicant in accordance with its  
908 regulations as it may deem necessary.

909 (p) The commission has full and absolute power and authority  
910 to deny any application for any cause it deems reasonable. If an  
911 application is denied, the commission shall prepare and file its  
912 written decision upon which its order denying the application is  
913 based.

914 (q) A person who has had his application for a license denied or  
915 who has been found unsuitable by the commission shall not retain  
916 his interest in a corporation, partnership, limited partnership, lim-



917 ited-liability company or joint venture beyond that period pre-  
918 scribed by the commission; and shall not accept more for his  
919 interest in a corporation, partnership, limited partnership, limited-  
920 liability company or joint venture than he paid for it or the market  
921 value on the date of the denial of the license or the finding of  
922 unsuitability.

923 (r) The voluntary surrender of a license by a licensee does not  
924 become effective until accepted in the manner provided in the reg-  
925 ulations of the commission. The surrender of a license does not  
926 relieve the former licensee of any penalties, fines, fees, taxes or  
927 interest due.

928 (s) The bureau shall promptly and in reasonable order investi-  
929 gate all applications, enforce the provisions of this act and any  
930 regulations promulgated hereunder. The bureau shall provide the  
931 commission with all information necessary for all actions  
932 requested of it under this act and for all proceedings involving  
933 enforcement of the provisions of this act or any regulations pro-  
934 mulgated hereunder.

935 (t) The bureau shall investigate the qualifications of each appli-  
936 cant before any license, certificate, or permit is issued pursuant to  
937 the provisions of this act; investigate the circumstances sur-  
938 rounding any act or transaction for which commission approval is  
939 required; investigate violations of this act and regulations promul-  
940 gated hereunder; initiate, prosecute and defend such proceedings  
941 before the commission, or appeals there from, as the bureau may  
942 deem appropriate; provide assistance upon request by the commis-  
943 sion in the consideration and promulgation of rules and regula-  
944 tions; conduct continuing reviews of licensed gaming facility  
945 operations through on-site observation and other reasonable  
946 means to assure compliance with this act and regulations promul-  
947 gated hereunder; conduct audits of licensed gaming facility opera-  
948 tions at such times, under such circumstances, and to such extent  
949 as the director shall determine, including reviews of accounting,  
950 administrative and financial records and management control sys-  
951 tems, procedures and records utilized by a licensed gaming  
952 facility licensee; and be entitled to request information, materials  
953 and any other data from any licensee or registrant, or applicant for  
954 a license or registration under this act.

955 (u) Each licensee or registrant, or applicant for a license or reg-  
956 istration under this act shall cooperate with the commission and  
957 the bureau in the performance of their duties.

958 (v) The bureau and its employees and agents, upon approval of  
959 the director, shall have the authority, without notice and without  
960 warrant to inspect and examine all premises wherein gaming is  
961 conducted; or gaming devices or equipment are manufactured,  
962 sold, distributed, or serviced, or wherein any records of such  
963 activities are prepared or maintained; to inspect all equipment and  
964 supplies in, about, upon or around such premises; to seize sum-  
965 marily and remove from such premises and impound any such  
966 equipment or supplies for the purposes of examination and inspec-  
967 tion; to inspect, examine and audit all books, records, and docu-  
968 ments pertaining to a gaming licensee's operation; to seize,  
969 impound or assume physical control of any book, record, ledger,  
970 game, device, cash box and its contents, counting room or its  
971 equipment, or licensed gaming facility operations; and to inspect  
972 the person, and personal effects present in a licensed gaming  
973 facility licensed under this act, of any holder of a license or regis-  
974 tration issued pursuant to this act while that person is present in a  
975 licensed gaming facility.

976 (w) Every licensed gaming facility must, upon receipt of crim-  
977 inal or civil process compelling testimony or production of docu-  
978 ments in connection any criminal investigation, immediately  
979 disclose such information to the bureau.

980 Section 7. Right to Hearing.

981 Any person aggrieved by a determination by the commission to  
982 issue, deny, modify, revoke or suspend any license or approval, or  
983 to issue an order, under the provisions of this act, may request an  
984 adjudicatory hearing before the commission under the provisions  
985 of chapter thirty A of the General Laws. Any such determination  
986 shall contain a notice of this right to request a hearing and may  
987 specify a time limit, not to exceed twenty-one days, within which  
988 said person shall request said hearing. If no such request is timely  
989 made, the determination shall be deemed assented to. If a timely  
990 request is received, the commission shall within a reasonable time  
991 act upon a request in accordance with the provisions of said  
992 chapter thirty A.

993 A person aggrieved by a final decision in an adjudicatory  
994 hearing held under the provisions of this section may obtain judi-  
995 cial review thereof pursuant to the provisions of chapter thirty A.

996 Section 8. Criminal Acts and Penalties; Age Restrictions.

997 (a) Except as otherwise provided in this act or in chapter ten or  
998 in section seven A of chapter two hundred seventy-one of the  
999 General Laws, it is unlawful for any person to deal, operate, carry  
1000 on, conduct, maintain or expose for play in the commonwealth of  
1001 Massachusetts any gambling game, gaming device, or slot machine  
1002 as defined by this act; to receive, directly or indirectly,  
1003 any compensation or reward or any percentage or share of the  
1004 money or property played, for keeping, running or carrying on any  
1005 gambling game, gaming device, or slot machine; to permit any  
1006 gambling game, gaming device, or slot machine to be conducted,  
1007 operated, dealt or carried on in any house or building or other  
1008 premises owned by him, in whole or in part; to lend, let, lease or  
1009 otherwise deliver or furnish any equipment of any gambling  
1010 game, including any slot machine, for any interest, percentage or  
1011 share of the money or property played, under guise of any agree-  
1012 ment whatever; to lend, let, lease or otherwise deliver or furnish,  
1013 except by a bona fide sale or capital lease, any slot machine under  
1014 guise of any agreement whereby any consideration is paid or is  
1015 payable for the right to possess or use that slot machine, whether  
1016 the consideration is measured by a percentage of the revenue  
1017 derived from the machine or by a fixed fee or otherwise; to fur-  
1018 nish services or property, real or personal, on the basis of a con-  
1019 tract, lease or license, pursuant to which that person receives  
1020 payments based on earnings or profits from any gambling game,  
1021 including any slot machine, without having first procured a state  
1022 gaming license from the commission.

1023 (b) Any person included on the list of persons to be excluded or  
1024 ejected from a gambling establishment pursuant to regulations  
1025 promulgated pursuant to this act who knowingly enters or remains  
1026 on the premises of a licensed gambling establishment shall be  
1027 punished by a fine to be determined by the commission, in addi-  
1028 tion to any other penalties prescribed by law.

1029 (c) Any person under the age of twenty-one years who plays,  
1030 places wagers at, or collects winnings from, whether personally or  
1031 through an agent, any controlled game, or who is employed as an

1032 employee in a licensed gaming establishment shall be punished by  
1033 imprisonment in the house of correction for not more than one  
1034 year, or by a fine of not more than one thousand dollars, or by  
1035 both such imprisonment and fine any licensee, or other person,  
1036 who knowingly allows a person under the age of twenty-one to  
1037 play, place wagers at or collect winnings, whether personally or  
1038 through an agent, shall be punished by imprisonment in the house  
1039 of correction for a term of not more than one year or pay a fine of  
1040 not more than ten thousand dollars, or by both such imprisonment  
1041 and fine. A subsequent violation of this section shall subject the  
1042 licensee to imprisonment in the house of correction for not more  
1043 than two years or pay a fine of not more than twenty-five thou-  
1044 sand dollars or by both such imprisonment and fine. In any prose-  
1045 cution or other proceeding for the violation of this subsection, it  
1046 shall not be a defense for the licensee or his agent to plead that he  
1047 believed the person to be twenty-one years of age or older.

1048 (d) Any person who willfully fails to report, pay, or truthfully  
1049 account for and pay over any license registration fee, penalty, fine,  
1050 or interest thereon imposed by this act, or willfully attempts in  
1051 any manner to evade or defeat the license fee, penalty, fine, or  
1052 interest thereon or payment thereof shall be punished by a fine to  
1053 be determined by the commission.

1054 (e) Any person who willfully resists, prevents, impedes, or  
1055 interferes with the commission or the bureau or any of their agents  
1056 or employees in the performance of duties pursuant to this act  
1057 shall be punished by a fine to be determined by the commission,  
1058 in addition to any other penalties prescribed by law.

1059 (f) Any person who willfully violates, attempts to violate, or  
1060 conspires to violate any provision of a regulation adopted pur-  
1061 suant to this chapter shall be punished by a fine to be determined  
1062 by the commission, in addition to any other penalties prescribed  
1063 by law.

1064 (g) Any person, as owner, lessee, or employee, whether for hire  
1065 or not, either solely or in conjunction with others, who shall do  
1066 any of the following without having first procured and thereafter  
1067 maintained in effect all licenses required by law:

1068 (1) to deal, operate, carry on, conduct, maintain, or expose for  
1069 play in this state any controlled game or gaming equipment used  
1070 in connection with any controlled game;

1071 (2) to receive, directly or indirectly, any compensation or  
1072 reward or any percentage or share of the revenue, for keeping,  
1073 running, or carrying on any controlled game, or owning the real  
1074 property or location in which any controlled game occurs;

1075 (3) to manufacture or distribute within the territorial boundaries  
1076 of the commonwealth any gaming equipment to be used in con-  
1077 nection with controlled gaming shall be punished by imprison-  
1078 ment in the state prison for not more than five years, or by  
1079 imprisonment in a house of correction for not more than two and  
1080 one-half years, or by a fine of not more than ten thousand dollars,  
1081 or by both such imprisonment and fine.

1082 (h) Any person who knowingly permits any controlled game to  
1083 be conducted, operated, dealt, or carried on in any house or  
1084 building or other premises that he or she owns or leases, in whole  
1085 or in part, if that activity is undertaken by a person who is not  
1086 licensed as required by state law shall be punished by imprison-  
1087 ment in a state prison for not more than five years, or by impris-  
1088 onment in a house of correction for not more than one year, or by  
1089 a fine of not less than ten thousand dollars, or by both such  
1090 imprisonment and fine.

1091 (i) Any former commission member who, within three years  
1092 after his employment on said commission has ceased, solicits or  
1093 accepts employment with or provides consultant services to any  
1094 licensee or at any licensed gaming facility shall be deemed to  
1095 have violated chapter two hundred sixty-eight B of the General  
1096 Laws. Any licensed gaming facility which employs a former com-  
1097 mission member in violation of this subsection shall be punishable  
1098 by a fine to be determined by the commission.

1099 (j) It is unlawful for any person:

1100 (1) to alter or misrepresent the outcome of a game or other  
1101 event on which wagers have been made after the outcome is deter-  
1102 mined but before it is revealed to the players;

1103 (2) knowingly to entice or induce another to go to any place  
1104 where gaming is being conducted or operated in violation of the  
1105 provisions of this chapter, with the intent that the other person  
1106 play or participate in that gaming;

1107 (3) to manipulate, with the intent to cheat, any component of a  
1108 gaming device in a manner contrary to the designed and normal  
1109 operational purpose for the component, including but not limited

1110 to, varying the pull of the handle of a slot machine, with knowl-  
1111 edge that the manipulation affects or reasonably may tend to  
1112 affect the outcome of the game or with knowledge of any event  
1113 that affects the outcome of the game. As used in this section,  
1114 “cheat” means to alter the selection of criteria which determine:  
1115 (a) the results of a game; or (b) the amount or frequency of pay-  
1116 ment in a game.

1117 (4) to have on his person or in his possession on or off the  
1118 premises of any licensed gaming establishment any key or device  
1119 known to have been designed for the purpose of and suitable for  
1120 opening, entering or affecting the operation of any gaming or  
1121 equipment, or for removing money or other contents therefrom,  
1122 except where such person is a duly authorized employee of a  
1123 licensee acting in furtherance of his employment within a licensed  
1124 gaming establishment.

1125 A violation of this section shall be punishable by imprisonment  
1126 in a house of correction for not more than two years or by a fine  
1127 of not more than one thousand dollars, or by both such imprison-  
1128 ment and fine.

1129 (k) Any individual who commits, attempts, or conspires to  
1130 commit skimming, as defined by this act, for a total value of less  
1131 than one thousand dollars against a gaming licensee or upon the  
1132 premises of a licensed gaming facility shall be punished by  
1133 imprisonment in a house of correction for not more than five years  
1134 and by a fine of not more than five thousand dollars, or by impris-  
1135 onment in a house of correction for not more than ten years and  
1136 by a fine of not more than ten thousand dollars if the total value is  
1137 more than one thousand dollars.

1138 (l) In addition to any other penalty imposed under this section,  
1139 a violation of this section by a licensed gaming establishment  
1140 shall subject to forfeiture to the commonwealth any or all of the  
1141 gaming equipment related to the violation. A district attorney may  
1142 petition the superior court in the name of the commonwealth in  
1143 the nature of a proceeding in rem to order forfeiture of any such  
1144 gaming equipment subject to forfeiture under the provisions of  
1145 this paragraph. Such petition shall be filed in the court having  
1146 jurisdiction over said gaming equipment or having final jurisdic-  
1147 tion over any related criminal proceedings brought under any pro-  
1148 vision of this chapter. In all such suits where the property is

1149 claimed by any person, other than the commonwealth, the com-  
1150 monwealth shall have the burden of proving to the court the exis-  
1151 tence of probable cause to institute the action, and any such  
1152 claimant shall then have the burden of proving that the gaming  
1153 equipment is not forfeitable. The court shall order the common-  
1154 wealth to give notice by certified or registered mail to the owner  
1155 of said gaming equipment and to such other persons as appear to  
1156 have an interest therein, and the court shall promptly, but not less  
1157 than two weeks after notice, hold a hearing on the petition. Upon  
1158 the motion of the owner of said gaming equipment the court may  
1159 continue the hearing on the petition pending the outcome of any  
1160 criminal trial related to the violation of this chapter. At such  
1161 hearing the court shall hear evidence and make conclusions of  
1162 law, and shall thereupon issue a final order, from which the parties  
1163 shall have a right of appeal. In all such suits where a final order  
1164 results in a forfeiture, said final order shall provide for disposition  
1165 of said gaming equipment, by the commonwealth in any manner  
1166 not prohibited by law, including official use by an authorized law  
1167 enforcement or in other public agency, or sale at public auction or  
1168 by competitive bidding. The proceeds of any such sale shall be  
1169 used to pay the reasonable expenses of the forfeiture proceedings,  
1170 seizure, storage, maintenance of custody, advertising, and notice,  
1171 and the balance thereof shall be deposited in the gaming regula-  
1172 tory account established by this chapter.

1173 Section 9. Revenues; License Fees; Penalties.

1174 (a) There is hereby established a gaming investigative account.  
1175 Any and all expenses associated with the licensing of any appli-  
1176 cant and monitoring of any licensee shall be borne by the appli-  
1177 cant or licensee. Pursuant to its regulations, the commission shall  
1178 require each applicant to deposit with the commission, together  
1179 with the application therefore, an application fee which shall be  
1180 deposited in the gaming investigative account. Such fee shall con-  
1181 stitute the anticipated costs and charges incurred in the investiga-  
1182 tion and processing of the application, and any additional sums as  
1183 required by the commission and the bureau to pay final costs and  
1184 charges. Expenses may be advanced from the gaming investiga-  
1185 tive account by the commission to the bureau. Any money  
1186 received from an applicant in excess of the costs and charges  
1187 incurred in the investigation or the processing of the application

1188 shall be refunded pursuant to regulations adopted by the commis-  
1189 sion. At the conclusion of the investigation the bureau shall pro-  
1190 vide the applicant a written accounting of the costs and charges so  
1191 incurred.

1192 (b) Two-thirds all fees, revenue, and penalties collected pur-  
1193 suant to this act, with the exception of those revenues collected as  
1194 stated in section nine (a) or section twelve (g) of this act, shall be  
1195 deposited in the general fund. Funds deposited in the general  
1196 fund, pursuant to this act, shall, subject to appropriation, be  
1197 expended for the support of the commission and the bureau in car-  
1198 rying out their duties and responsibilities under this act. One-  
1199 thirds of all fees, revenue, and penalties collected pursuant to this  
1200 act, with the exception of those revenues collected as stated in  
1201 section nine (a) or section twelve of this act, shall go directly to  
1202 cities and towns in the form of local aid toward general opera-  
1203 tions.

1204 (c) All revenue received from any game or gaming device  
1205 which is leased for operation on the premises of the licensee-  
1206 owner to a person other than the owner thereof, or located in an  
1207 area or space on the premises which is leased by the licensee-  
1208 owner to any such person, must be attributed to the owner for the  
1209 purposes of this section and be counted as part of the gross rev-  
1210 enue of the owner. The lessee is liable to the owner for his pro-  
1211 portionate share of the license fees.

1212 (d) In addition to any other tax or fee imposed by this act, there  
1213 is also hereby imposed an annual fee of one hundred thousand  
1214 dollars for gaming license holders, and an annual license fee of  
1215 one thousand dollars upon every slot machine maintained for use  
1216 or in use in any licensed gaming facility in the commonwealth.

1217 (e) All gaming license fees and penalties imposed by the provi-  
1218 sions of this act must be paid to the state treasurer, two-thirds to  
1219 be deposited into the general fund and the remaining third directly  
1220 to a special account to be distributed to the cities and towns of the  
1221 Commonwealth. Fees shall be paid annually on or before June  
1222 twentieth. Penalties imposed under this act shall be paid within  
1223 thirty days of the final determination of the commission of the  
1224 violation.

1225 (f) There is hereby imposed upon each slot machine operated in  
1226 this state an annual excise tax of five hundred dollars. If a slot



1227 machine is replaced by another, the replacement is not considered  
1228 a different slot machine for the purpose of imposing this tax. The  
1229 commission shall collect the tax annually on or before June twen-  
1230 tieth, as a condition precedent to the issuance of a state gaming  
1231 license to operate any slot machine for the ensuing fiscal year  
1232 beginning July first, from a licensee whose operation is contin-  
1233 uing; collect the tax in advance from a licensee who begins opera-  
1234 tion or puts additional slot machines into play during the fiscal  
1235 year prorated monthly after July thirty-first; include the proceeds  
1236 of the tax in its reports of state gaming taxes collected. The com-  
1237 mission shall pay over not less than one half of the tax as col-  
1238 lected to the treasurer of the municipality within which the  
1239 gaming facility is located to be deposited to the general fund of  
1240 said municipality. Not more than one half of the tax as collected  
1241 shall go to communities surrounding the host community for the  
1242 purposes of traffic and public safety concerns resulting from the  
1243 operation of the gaming facility.

1244 (g) If the growth in lottery receipts is less than the average of  
1245 the prior five years, the difference in revenues will be provided to  
1246 the lottery from the fees, revenue and penalties collected pursuant  
1247 to this act, for the purpose of local aid to the municipalities in the  
1248 Commonwealth, provided the lottery payout percentages do not  
1249 change and the number of games remains the same or greater.

1250 Section 10. Reporting Violations of Act.

1251 All licensees, all registrants, all persons required to be qualified  
1252 under this act, and all persons employed by a gaming service  
1253 industry licensed pursuant to this act, shall have a duty to inform  
1254 the commission or bureau of any action which they believe would  
1255 constitute a violation of this act. No person who so informs the  
1256 commission or the bureau shall be discriminated against by an  
1257 applicant licensee or registrant because of the supplying of such  
1258 information.

1259 Section 11. Licensing of Gaming Service Industries.

1260 (a) All gaming service industries as defined in this act offering  
1261 goods or services which directly relate to gaming activities or  
1262 indirectly relate to gaming operations shall be licensed in accor-  
1263 dance with rules of the commission and prior to conducting any  
1264 business whatsoever with a gaming applicant or licensee, its  
1265 employees or agents, and in the case of a school prior to enroll-

1266 ment of any students or offering of any courses to the public  
1267 whether for compensation or not. Gaming service industries that  
1268 directly relate to gaming activities shall include gaming and  
1269 wagering equipment manufacturers, suppliers and repairers,  
1270 schools teaching gaming and either playing or dealing techniques,  
1271 and gaming security services. Gaming service industries that indi-  
1272 rectly relate to gaming operations shall include junket enterprises;  
1273 suppliers of alcoholic beverages, food and nonalcoholic beverages;  
1274 garbage handlers; vending machine providers; linen suppliers;  
1275 maintenance companies; shopkeepers located within the  
1276 approved hotels; limousine services and construction companies  
1277 contracting with gaming applicants or licensees or their  
1278 employees or agents.

1279 (b) Each gaming service industry, as well as its owners, management  
1280 and supervisory personnel and other principal employees  
1281 must qualify under standards promulgated by the commission.

1282 (c) The commission may exempt any person or field of commerce  
1283 from the licensing requirements of this subsection if the  
1284 person or field of commerce demonstrates that it is regulated by a  
1285 public agency or that it will provide goods or services in insubstantial  
1286 or insignificant amounts or quantities, or provides professional services  
1287 such as accountants, auditors, attorneys, or broker-dealers, and that  
1288 licensing is not deemed necessary in order to  
1289 protect the public interest or to accomplish the policies established  
1290 by this act. Upon granting an exemption or at any time thereafter,  
1291 the commission may limit or place such restrictions thereupon as  
1292 it may deem necessary in the public interest, and shall require the  
1293 exempted person to cooperate with the commission and the bureau  
1294 and, upon request, to provide information in the same manner as  
1295 required of a gaming service industry licensed pursuant to this  
1296 section.

1297 (d) Licensure pursuant to this section of any gaming service  
1298 industry may be denied to any applicant disqualified in accordance  
1299 with the criteria contained in section six of this act.

1300 Section 12. Gaming Revenue Payable to Commission

1301 (a) Each licensed operator within the commonwealth also  
1302 licensed as a live running horse racing meeting licensee within the  
1303 commonwealth shall pay to the commission, as the commission  
1304 shall direct, from the adjusted net gaming revenues: a percentage

1305 on behalf of the commonwealth; a percentage on behalf of the  
1306 horse owners at the running horse racing meeting licensee for  
1307 purses in accordance with the rules and established customs of  
1308 conducting running horse racing meetings at that licensee's racing  
1309 facility; and a percentage on behalf of the breeders association at  
1310 the licensee's facility for the purposes of promoting the breeding  
1311 of running horses in the commonwealth pursuant to law; provided  
1312 that if the adjusted net gaming revenues exceed, in any calendar  
1313 year, thirty-five million dollars each such licensed operator shall  
1314 pay from the amount above that thirty-five million dollars, on  
1315 behalf of the commonwealth a sum on behalf of the horse owners  
1316 at the racing meeting licensee for said purses.

1317 (b) Each licensed operator within the commonwealth also  
1318 licensed as a greyhound dog racing meeting licensee within the  
1319 commonwealth shall pay to the commission, as the commission  
1320 shall direct, from the adjusted net gaming revenues: a sum on  
1321 behalf of the commonwealth; a percentage on behalf of the dog  
1322 owners at the greyhound dog racing meeting licensee for purses in  
1323 accordance with the rules and established customs of conducting  
1324 greyhound dog racing meetings at that licensee's racing facility;  
1325 provided that if the adjusted net gaming revenues exceed, in any  
1326 calendar year, thirty-five million dollars each such licensed oper-  
1327 ator shall pay from that amount above that thirty-five million dol-  
1328 lars, on behalf of the commonwealth a sum and on behalf of the  
1329 dog owners at the racing meeting licensee for said purses.

1330 (c) Notwithstanding the foregoing, if adjusted net gaming rev-  
1331 enues of any licensed operator under section twelve (a) and (b)  
1332 exceed, in any calendar year, fifty million dollars, such licensed  
1333 operator(s) shall pay to the commission, on behalf of the common-  
1334 wealth, as the commission shall direct, from the adjusted net  
1335 gaming revenue above said amount, a percentage on behalf of the  
1336 commonwealth.

1337 (d) Provided that each licensed operator shall receive as an  
1338 offset from any amount due under sections twelve (a), (b), (c), or  
1339 (d) any amount assessed by the commission to cover the licensed  
1340 operator's pro rata share of the regulatory costs of the commis-  
1341 sion. Such regulatory costs shall not include any license or appli-  
1342 cation fee assessed by the commission.

1343 (e) Each licensed operator within the commonwealth operating  
1344 a licensed running horse racing facility, a licensed harness horse  
1345 racing facility, a licensed greyhound dog racing facility, or a  
1346 licensed gaming facility as designated in section six (d) (1), (2),  
1347 (3), (4), and (5) shall pay on behalf of the district attorney within  
1348 which whose jurisdiction said facility shall lie, a percentage of  
1349 said facility's adjusted net gaming revenues; and, on behalf of the  
1350 cities and towns in the commonwealth, a percentage, ninety per-  
1351 cent of which shall be paid to the cities and towns of the common-  
1352 wealth, to be divided using the lottery formula, so-called, and ten  
1353 percent of which shall be divided equally among those cities and  
1354 towns whose borders are contiguous with those of a municipality  
1355 within which is located a licensed gaming facility.

1356 (f) There is hereby established a debt service account. Each  
1357 licensed operator within the commonwealth operating a licensed  
1358 running horse racing facility, a licensed harness horse racing  
1359 facility, a licensed greyhound dog racing facility, or a licensed  
1360 gaming facility as designated in section six (d) (1), (2), (3), (4),  
1361 and (5) shall pay, on behalf of the commonwealth, a percentage of  
1362 their adjusted net gaming revenue, said percentage which shall be  
1363 deposited in the debt service account. Said account shall be used  
1364 to fund payments toward the debt service of the commonwealth.

1365 Section 13. Problem Gambling Education and Treatment.

1366 The department of public health is hereby authorized and  
1367 directed to conduct a comprehensive study to measure the preva-  
1368 lence of compulsive, obsessive behaviors in Massachusetts; to  
1369 measure the prevalence of problem gambling in Massachusetts; to  
1370 measure the prevalence of underage problem gambling in Massa-  
1371 chusetts; and, to measure the social cost of problem gambling in  
1372 Massachusetts; and to develop appropriate treatment modalities  
1373 and public education strategies that address the findings of said  
1374 study.

1375 Section 14. Disclosure requirements.

1376 Every licensed gaming establishment shall disclose clearly and  
1377 conspicuously on each electronic gaming device the numerical  
1378 odds of winning or if the odds cannot be calculated, the manner  
1379 by which a person may be notified of all previous winnings on  
1380 each electronic gaming device, and the number of previous win-  
1381 ners.

1382 Section 15. Recovery of Gaming Debts by Patrons.

1383 (a) Whenever a licensee refuses payment of alleged winnings to  
1384 a patron, the licensee and the patron are unable to resolve the dis-  
1385 pute to the satisfaction of the patron and the dispute involves:

1386 1) at least five hundred dollars, the licensee shall immediately  
1387 notify the bureau;

1388 2) less than five hundred dollars, the licensee shall inform the  
1389 patron of his right to request that the bureau conduct an investiga-  
1390 tion.

1391 The bureau shall conduct whatever investigation it deems nec-  
1392 essary and shall determine, in its sole discretion and without need  
1393 for a hearing whether payment should be done. In the event the  
1394 bureau determines that payment should be made, all costs of the  
1395 investigation shall be borne by the licensee. Failure of the licensee  
1396 to notify the bureau or inform the patron as provided herein shall  
1397 subject the licensee to disciplinary action.

1398 (b) Any party aggrieved by the determination of the bureau  
1399 may file a petition for reconsideration with the commission setting  
1400 forth the basis of the request for reconsideration. Any hearing for  
1401 reconsideration shall be conducted pursuant to regulations  
1402 adopted by the commission.

1403 Section 16. Off-Track Betting.

1404 In the event that an off-track betting system is sanctioned by  
1405 the commonwealth each licensed gaming facility shall, on reason-  
1406 able terms and conditions, make available within said facility  
1407 space for an off-track betting facility to be jointly leased and oper-  
1408 ated by all persons licensed under section three of chapter one  
1409 hundred and twenty-eight A, other than licensees conducting  
1410 horse or dog racing in connection with a state or county fair, to be  
1411 operated in accordance with the rules and regulations applicable  
1412 to the enabling legislation of that off-track betting system.

1413 Section 17. Severability

1414 The invalidity of any section, sections or subsections or parts of  
1415 this act shall not affect the validity of the remainder of this act.